Highlights of 2015 Changes to the Maryland State Employee and Retiree Health and Welfare Benefits Program For University System of Maryland Employees

Open Enrollment for the State Employee and Retiree Health Benefits and Welfare Program (the health benefits plan) managed by the Maryland Department of Budget and Management (DBM) will take place from October 15 through November 14, 2014 for the new plan year that begins on January 1, 2015. There are new developments in the upcoming 2015 health benefits plan that will be important to University System of Maryland employees. These changes, as well as other information in the health benefits plan, will be described in detail in the Open Enrollment packet provided by DBM and sent to you later this month. At this time, we would like to highlight three key changes to the health benefits plan for USM employees: 1) changes in benefit providers and plans; 2) the State’s new wellness program; and 3) coverage under the Affordable Care Act for contractual employees who work 30 hours per week or more.

MEDICAL AND DENTAL PLANS

For 2015, there are a number of developments in the State’s medical and dental health plans.

- **Medical Plan Carriers:**
  - The CareFirst and United Healthcare PPOs and EPOs will continue to be available.
  - A Kaiser Integrated Health Management plan will be added for active employees and their families.
  - Aetna will no longer provide state health benefits.
  - POS plans will be eliminated.

- **Dental Plan Carriers:**
  - United Concordia will continue to administer the dental PPO plan.
  - Delta Dental will administer the dental HMO instead of United Concordia.

- **New Features of the Medical and Dental Plans**
  - The annual maximum benefits in the dental PPO will increase from $1,500 to $2,500.
  - The annual out-of-pocket maximum for the EPO plan is increased from $1,000/$2,000 to $1,500/$3,000.
  - Behavioral health services will be provided through the employee’s medical plan (CareFirst, United or Kaiser), rather than by a separate mental health provider, with some improved benefits.

- **Implications of these Changes**
  - If you currently participate in one of the cancelled plans, you will have to transfer to a new plan during Open Enrollment.
WELLNESS PROGRAM

In 2015, the State is also establishing a wellness program as part of its health benefits plan. Phased in over five years, the wellness program can provide significant benefits and incentives for its participants.

- In General: The plan will apply to employees, retirees and their spouses.
  - Each participant will be asked to complete a set of “Healthy Activities” (described below).
  - Individuals with chronic health conditions identified for disease management services also will be asked to participate in a disease management program (described below).

- Program Goals:
  - Improving participants’ health
  - Offering incentives for insurance plans and medical providers to focus on quality of care, affordable access to preventive and primary care, and improved patient outcomes
  - Better controlling health care costs in ways that both enhance plan participants’ health and avoid reductions in coverage or increased participant expense.

- Benefits to Employees: Starting in 2015, the wellness program will provide immediate benefits to participants, including:
  - Elimination of most in-network laboratory and x-ray copayments and co-insurance
  - Waiver of copayments for primary care if the participant completes their Healthy Activities
  - Waiver of copayments for generic drugs that treat a range of chronic conditions
  - Access to free weight management, nutrition education and tobacco cessation classes and other services
  - Access to on-line participant services to compare provider quality and costs.

- Healthy Activities for all Participants: On a phased-in basis, all participating employees and their spouses are responsible for completing the following Healthy Activities each year:
  - 2015: Select a primary care provider, complete a health risk assessment and discuss it with the primary care provider
  - 2016: Complete and discuss health risk assessment
  - Complete nutrition education or weight management program
  - 2017: Complete and discuss health risk assessment
  - Complete a biometric screening and discuss it with the primary care provider
  - Complete age/gender-recommended preventive screenings
  - 2018-19: Complete and discuss health risk assessment
  - Complete and discuss biometric screening and physical exam with the goal of bringing blood pressure and cholesterol into the normal range
- Complete a nutrition education and stress management program

- Disease Management Programs for Participants with Chronic Health Conditions: In addition to completing their general “Healthy Activity” requirements, employees and spouses with certain chronic conditions are responsible for participating in a disease management program.
  - Disease Management Programs will start in 2016, for certain chronic health conditions.
  - Participants will engage with a care manager and follow treatment guidelines for the condition.

- Surcharges for Wellness Program Non-Compliance: Employees and spouses who fail to comply their Healthy Activities or, if appropriate, a Disease Management Program, will have to pay a surcharge annually:
  - Healthy Activities Non-Compliance
    - No surcharges in 2015
    - 2016: $50/year surcharge for failure to complete Healthy Activities
    - 2017 forward: $75/year surcharge for failing to complete Healthy Activities
  - Disease Management Program Non-Compliance
    - No surcharges until 2017
    - 2017: $250/year for failing to participate actively in a Disease Management Program
    - 2018: Surcharge increases to $375/year
  - Alternative activities are available to participants who cannot complete required Healthy Activities for medical reasons.
  - An appeal process will be available to challenge surcharges.

AFFORDABLE CARE ACT (ACA) IMPLEMENTATION

- USM contractual employees working an average of 30+ hours/week will be covered under the State health benefits program as of January 1. Those covered include:
  - Contingent I and II staff working 30+ hours/week
  - Adjunct faculty who teach at least 75% of the expected course load of a full-time non-tenure track instructional faculty member according to their institution’s standards
  - Other contractual faculty working 30+ hours/week
  - Some student employees working 30+ hours/week.

- Eligible contractual employees will be able to participate in the State health plan with benefits at least at the following levels:
  - Employer-subsidized medical and prescription drug coverage, but no dental coverage subsidy
  - In 2015, the State will cover 75% of the cost of coverage, with the employee paying 25%
  - Instead of a payroll deduction in 2015, contractual employees will pay the State directly for the cost of their premium.
The Department of Budget and Management is developing the process and procedures for administering these new health benefits for contractual employees.

- Contractual employees working 30+ hours/week who are not now participants in the State health benefits program will be notified of the process to apply for health benefits before the end of the year.
- Please consult your institution’s Human Resources Office with any questions about new health benefits and eligibility for contractual employees.